

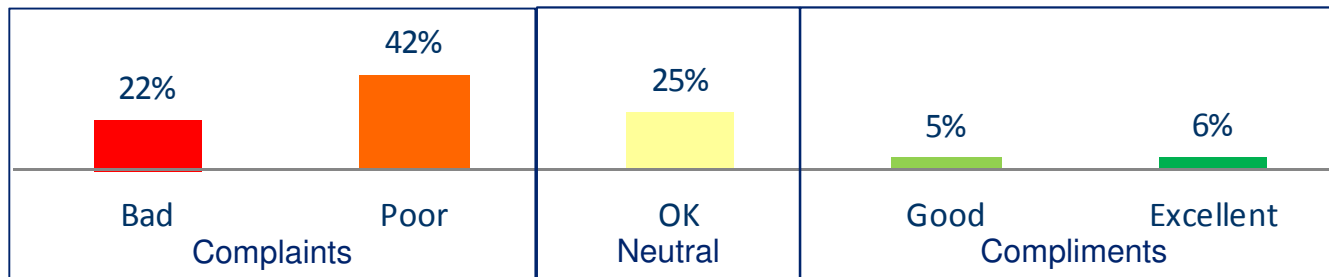
Complaints Resolution Report Quarter ended June 30, 2014



Feedback Summary

- During Q1 of 2014/15 fiscal year 5 million customers travelled with BC Ferries
 - BC Ferries received 2,192 comments
 - The average time to respond to customers was 2 days

Distribution of Comments by Rating

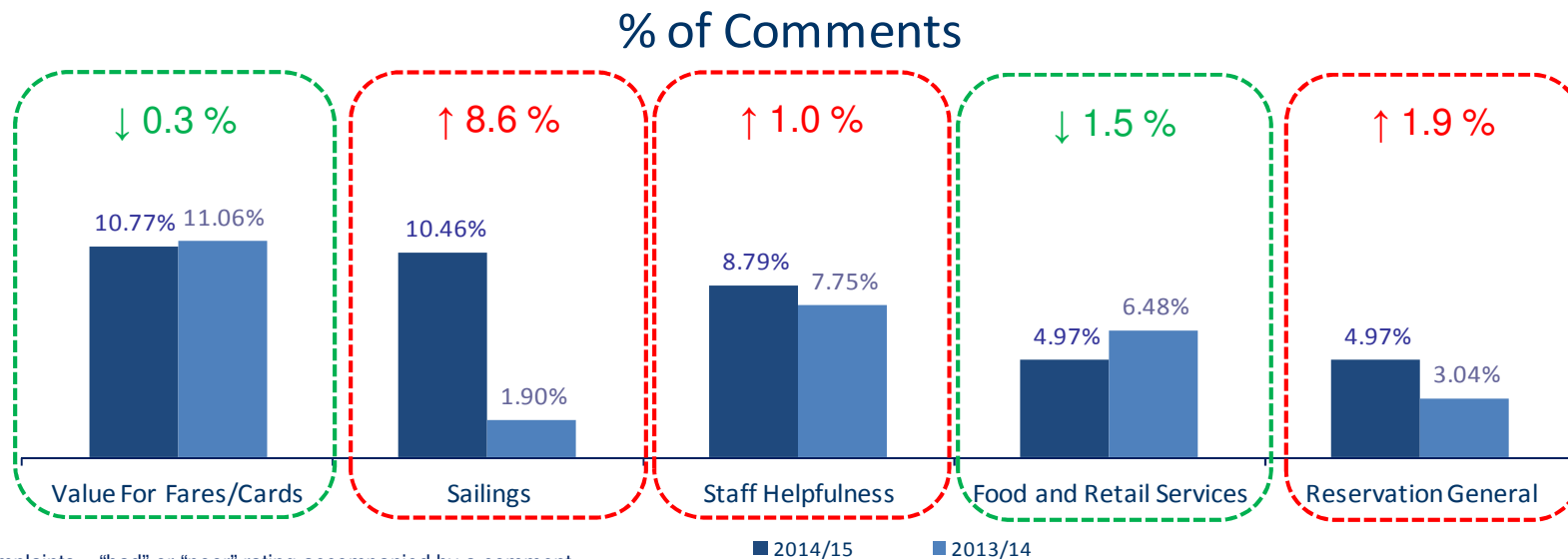


- Customer initiated feedback tends to be negative. Eleven percent (11%) of all customer feedback received in Q1 2014/15 was complimentary
- “Value for Fares/Cards” was the top issue: 206 complaints* were made, representing 10.8% of the total comments received in Q1 2014/15
 - Top 5 complaints combined represent 40% of all complaints received
- “General” comments are excluded from this analysis, along with comments with no rating:
 - 213 “General” comments were received which were primarily made up of company information (93), suggestions (58) and 67 comments were provided with no rating

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014

Top Complaints*: Corporate

#	Complaint	Q1 2014/15		Q1 2013/14	
		Complaints*	% of Comments (n=1,912)	Complaints*	% of Comments (n=2,207)
1	Value For Fares/Cards	206	10.8%	244	11.1%
2	Sailings	200	10.5%	42	1.9%
3	Staff Helpfulness	168	8.8%	171	7.7%
4	Food and Retail Services	95	5.0%	143	6.5%
5	Reservation General	95	5.0%	67	3.0%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014
 Q1 2013/14 = April 1, 2013 to June 30, 2013

Value For Fares/Cards

Sample of Customer Comments:

Complaints

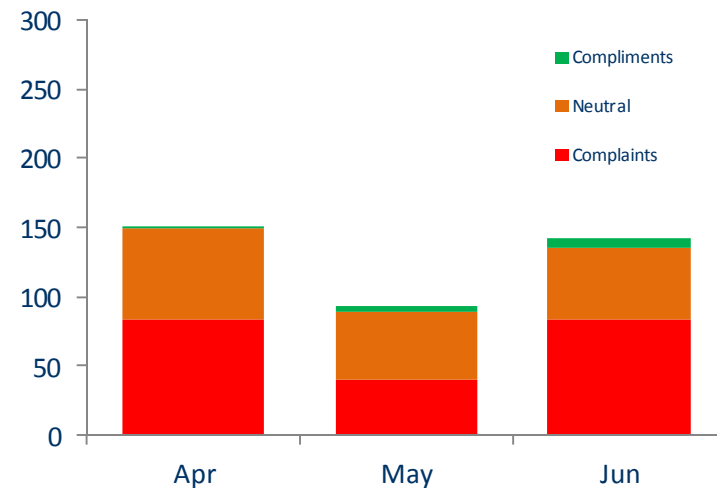
- “If BC Ferries think they are saving money by cutting the seniors fare they should rethink their strategy. I must have taken 10 trips to the island last year, Monday to Thursday to take advantage of my senior rate. I now plan on taking none this year. So not only have you saved 6 bucks a trip you have lost my car fare probably \$500 or more for the year. I wonder how many seniors are doing the same. Doesn’t seem to have saved BC Ferries any money, in fact it has caused them to loose more money.”
- “Just wanted to pass along how disappointed I am with the latest fare hikes. As a person who does a fair bit of day trips to Vancouver for business. I will be cutting my trips in half and perhaps looking at taking a plane over. \$71.90 is unacceptable.”
- “There is no frequent travel benefit, other than a reduced bank balance ... oh wait is that a benefit? There could be a monthly pass, similar to city transit passes that provide unlimited trips for a monthly fee, though honestly there needs to be no fare for island residents.”

Compliments

- “Thank you so much for decreasing the footage over the Summer! We can never afford to leave the Island and my family can never come over and go camping!! Thank you so much for this very positive decision!”

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value for Fares Paid	79	8	1
Fares: Experience Card	33	38	1
Fares: Promotions	26	13	4
Fares: Discount Fares	18	18	3
Fares: Coast Card	14	20	0
Fares: Other Fares	13	18	2
Fares: Errors	11	17	0
Fares: Refunds	8	32	1
Fares: Frequent Travel	3	2	1
Fares: Credit/Debit Card	1	1	0
% of all comments (1,912)	10.8%	0.7%	8.7%



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 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014

Value For Fares/Cards

Root Cause:

Fares: On April 1, 2014, BC Ferries adjusted its tariffs in accordance with the price cap increases set by the British Columbia Ferry Commissioner.

Discounted Fares & Social Programs: Fare discounts have been in place since 1961 for all Gulf Islands and since 1972 for the Sunshine Coast, previously in the form of paper books or pre-paid tickets. In the spring of 2008, the BC Ferries Experience™ Card was introduced as a replacement to the paper books of pre-paid tickets.

There currently is no discount available for customers to travel on the major routes and no service fee is provided to BC Ferries by the Provincial Government to operate these routes.

The Provincial Government provides fare subsidies for BC seniors, students and passengers with a permanent disability. The levels of discounts for these programs are set by the Provincial Government. BC Ferries administers these discounted fares on behalf of the Provincial Government and acts within the guidelines and policies set by the Government.

Lessons Learned:

There is anecdotal evidence that the increase in fares has caused customers to limit discretionary travel. A report provided by InterVISTAS Consulting Inc., acknowledges some minor price elasticity, but notes that there are other causal factors affecting ridership.

Through customer feedback the need for the recognition of frequent travel on the major routes has been identified. System upgrades are required in order to be able to offer more dynamic pricing models for frequent travel in the future.

Action Taken:

On June 10, 2014 BC Ferries announced the "size up the savings" promotion. On Wednesdays and Saturdays from June 18 through September 6, customers with vehicles longer than 20 feet pay only \$2.00 per foot additional length charge on the Tsawwassen – Swartz Bay and the Tsawwassen – Duke Point routes on sailings starting at 4:00 pm onwards.

Sample of Customer Comments:

Complaints

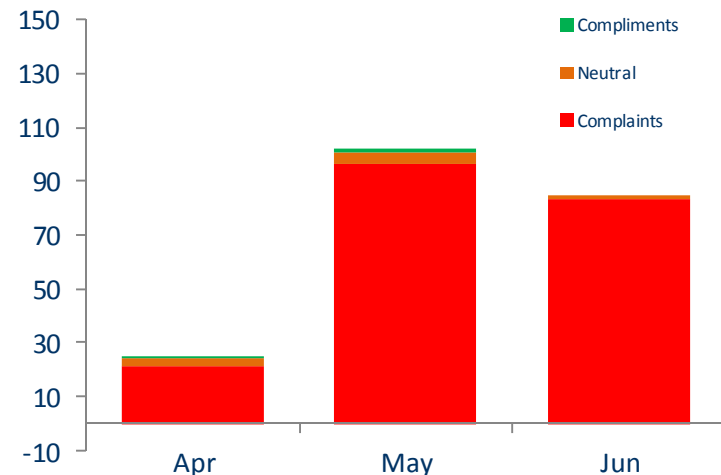
- “The sailings on Sundays to the Sunshine Coast are now less frequent, and now the ferry is overloaded, and as per usual a mechanical breakdown so very late. Poor service and increased fares, very disappointing.”
- “Somebody needs to take a closer look at the new scheduling for connections between Vancouver Island through Denman to Hornby. There are significant scheduling errors making connections impossible.”
- “Just so you know, we are in the process of cancelling our trip reservations thru Bella Coola and several accommodation bookings because BC Ferries has reduced service to Bella Coola sufficiently to make it impossible for us to make the trip we planned. The extremely small ferry that now services Bella Coola is full on every trip from Bella Coola to Port Hardy throughout the window of opportunity we have to make this trip. We are 4 people with 2 vehicles and were really looking forward to spending some time in your neck of the woods and seeing some wonderful coastline of BC’s inner passage.”

Compliments

- “Via Twitter for iPhone@BCFerries leaving right on time on this busy afternoon. Thank you Departure Bay!”

Sailings includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Frequency of Sailings	118	5	0
Sailings: Making Connections	67	5	0
Sailings: Loaded on Sailing of Choice	15	0	2
% of all comments (1,912)	10.5%	0.1%	0.5%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014

Root Cause:

The average utilization rate for BC Ferries vessels is slightly below 50%, however there are times where customer demand is focused on certain sailings and not all customers will be able to travel on the sailing of their choice.

On February 5, 2014 the Province confirmed \$14 million in service reductions will be implemented over the remaining two years of the current performance term commencing in the spring of 2014, to better align service levels to demand.

This included the decision to discontinue seasonal service by the *Queen of Chilliwack* on the Port Hardy – Mid-Coast – Bella Coola route and to replace it with the *MV Nimpkish* to provide a year round connection from the Mid-Coast ports to McLoughlin Bay (Bella Bella) where travellers can connect to the north/south Port Hardy – Prince Rupert route.

Lessons Learned:

Sailing waits have an adverse affect on customers who choose not to reserve or travel non-reservable routes.

Communities desire that early and late sailings be available (and during consultation expressed a preference to forgo mid-day sailings to retain these sailings) but there has been little or no additional utilization of the early or late sailings, while mid-day travel has been slow to adapt to adjusted sailing schedules.

Action Taken:

Customer feedback in response to the new schedules (in effect as of April 28, 2014) has resulted in further consultation with the Ferry Advisory Committees (FAC) to continue discussions on making further schedule adjustments.

BC Ferries consulted with Route 21 and Route 22 (Denman/Hornby) FAC members to adjust sailings to permit longer drive times across Denman Island with effect taking place September 2, 2014.

BC Ferries consulted with Route 17 (Comox/Powell River) and Route 18 (Powell River/Texada) FACs to resolve sailing conflicts on the mid-day sailings at Westview (Powell River), changes will take effect October 1, 2014 following broad based communication to users.

BC Ferries, working with the joint FACs of Salt Spring and Southern Gulf Islands, crafted an alternate solution to the Saturday/Sunday service changes by implementing winter mid-week reductions – further changes are underway which bode well for Friday service improvements over the original service level adjustments.

During the schedule planning for the individual routes, detailed consideration is given to historic traffic patterns, seasonal changes, time of day demand and special events especially related to long weekends and holidays.

Vessels operating on Routes 21 and Route 22 may change their operation to “shuttle mode” to respond to high traffic volumes. Other routes only use “shuttle mode” as a response to ambulance runs and service disruption.

Manager’s discretion sailings are scheduled tentatively on the major routes on days where historic traffic shows varying demand. If traffic builds up unexpectedly during low season periods, the management team will carefully monitor the situation and consider adding a sailing at the end of the operational day.

Customers may book a reservation, on reservable routes, to avoid sailing waits. Customer feedback has led BC Ferries to explore the possibility of expanding the fully reservable model currently in place on the Tsawwassen – Southern Gulf Island and on the Northern Routes.

Staff Helpfulness

Sample of Customer Comments:

Complaints

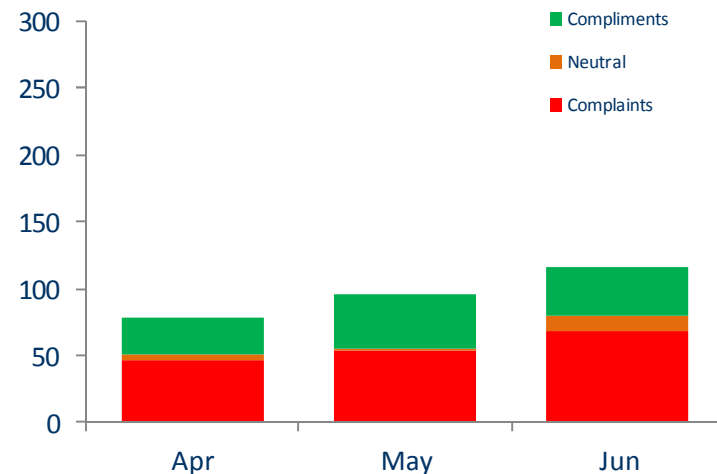
- “Not helpful. I am very sick and just wanted to get home and they wouldn't sell me a ticket on a delayed ferry, because it was too close to the scheduled time. So I have to sit in the waiting area with a fever.”
- “My husband was buying a foot passenger ticket from the machine and was approached by the ticket agent stating that he can't proceed because ticket sales were cut off for the sailing. But it was at 10:01 and cut off wasn't for 4 minutes.”
- “I travel on WestJet, on BC Transit buses with my small dog in a travel container under my feet. I live on Mayne Island and twice a week for three years I brought the dog upstairs in his container. The employees on the ferry always say hi to my dog and watch me go upstairs. Today an employee suddenly decided he would not let me upstairs? I believe a bit of logical thought is needed and a bit of common sense.”

Compliments

- “Queen of Burnaby May 30, 10:10 from Little River. The catering service was impeccable. The catering girls made sure I was seated close and brought me coffee. Today had a low tide at the Westview terminal and the Chief Steward arranged escorted wheel chair service for me to keep me safe. I'd like to pass along a heartfelt thank you!”

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check-In: Staff Helpfulness	57	4	7
Inside the Terminal: Staff Helpfulness	38	3	22
On the Ship: Staff Helpfulness	35	4	48
On the Phone: Resolution of Issues	12	3	3
On the Phone: Information Accuracy	11	1	3
Outside the Terminal: Staff Helpfulness	8	1	4
On the Phone: Agent Helpfulness	7	1	19
% of all comments (1,912)	8.8%	5.5%	0.9%



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Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employee leading to customer dissatisfaction.

Lessons Learned:

Customer feedback has given us an opportunity to identify areas of improvement in customer service and ongoing customer service training and coaching is required.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology.

Where communication is the issue, information is provided to the customer to assist in preventing further confusion. In the case of inaccurate information or inappropriate behavior by an employee, corrective action is taken with the employee and the customer is contacted to correct the misunderstanding.

Positive feedback is also shared with the employees.

In the spring of 2014 BC Ferries launched a new customer service enhancement program to manifest BC Ferries' expectation of employee's customer service delivery.

Food and Retail Services

Sample of Customer Comments:

Complaints

- “I am a regular business traveller along many within our company, and I find the WI-FI is so poor, I have to use my personal hotspot every time I am on the ferry (as I am doing now). Do you intend to ever fix this?”
- “The fact that most websites online are blocked has significantly decreased my BC Ferries experience.”
- “With the new menu change for breakfasts, the food is now horrible. It used to be a treat to catch the early ferry and have breakfast on-board but with the new breakfast menu the food is inedible.”
- “I find it terrible that you both charge for a coffee refill and you do not deduct even a small amount for a full breakfast order without toast or substitution. We are a captive audience but the lack of even small gestures are telling.”

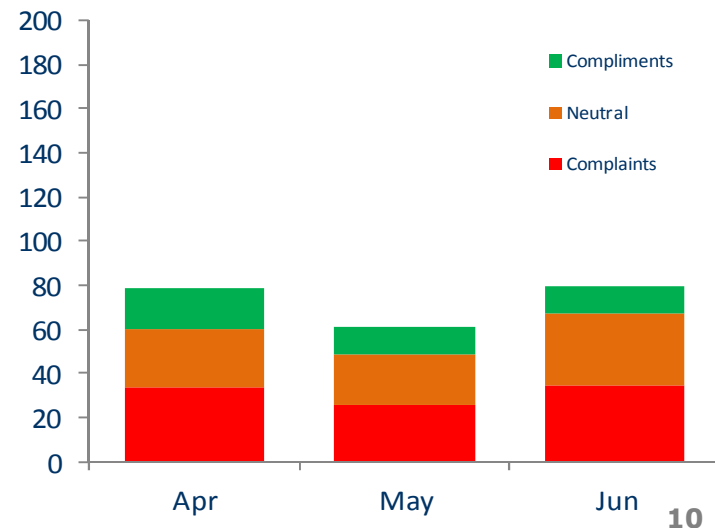
Compliments

- “Hello, I just wanted to say a quick thank you for providing gluten free muffins, cookies, burritos, etc. As a celiac, eating while travelling can be very tricky and I truly appreciate the efforts made by BC Ferries to ensure that we have decent options. Thanks so much and please keep up the good work.”

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 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014

Food and Retail Services includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	53	38	5
Food and Retail Services: Food Selection/Quality	20	7	7
Food and Retail Services: Food Value	10	1	0
Food and Retail Services: Staff Helpfulness	4	0	1
Food and Retail Services: Lounge/Buffer/Coffee Bar	4	4	1
Food and Retail Services: Retail Value	2	2	0
Food and Retail Services: Retail Selection	2	27	28
Food and Retail Services: Online Giftshop	0	2	2
% of all comments (1,912)	5.0%	2.3%	4.2%



Root Cause:

Amenities / Wi-Fi:

On July 5, 2010 BC Ferries started the pilot project for a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is now available at the Swartz Bay, Tsawwassen, Departure Bay, Horseshoe Bay and Langdale terminals as well as onboard select vessels that travel to and from these terminals.

A standard global filtering service is restricting access to websites tagged as displaying inappropriate content. Furthermore, streaming websites are restricted in order to allow all customers shared access to the limited wireless bandwidth available on our networks for basic web browsing and e-mail usage. To allow streaming media would impact other customer's ability to use the free resource efficiently.

The high demand for Wi-Fi during busy sailings can lead to access issues.

Lessons Learned:

Customers need to be kept informed of the restrictions that do apply to the free Wi-Fi service to avoid disappointment.

Action Taken:

The BC Ferries website provides information about the complimentary Wi-Fi service as well as a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

The possibility of expanding the Wi-Fi bandwidth is currently under review.

Food and Retail Services

Root Cause:

Food Selection/Cost:

BC Ferries offers a variety of food services comparable in cost to venues on land such as coffee shops, fast food restaurants and buffet services.

Consumer behavior demonstrated loyalty towards favorite menu items and in the past BC Ferries was hesitant to remove such items in favor of new and unproven menu options.

Lessons Learned:

Through customer feedback BC Ferries has recognized that frequent customers are expecting more frequent changes to the menu options.

Action Taken:

In order to determine customers' interest, BC Ferries offered additional White Spot menu items onboard vessels servicing the Departure Bay – Horseshoe Bay route on a trial basis and conducted a survey after completion of the trial. Customer feedback was positive and BC Ferries gradually expanded the popular White Spot menu options onboard vessels servicing the Swartz Bay – Tsawwassen, Departure Bay – Horseshoe Bay and the Duke Point – Tsawwassen routes starting April 17, 2013.

The renewed partnership with White Spot enables BC Ferries to offer greater flexibility to make periodic changes to the menu options in future.

Reservations General

Sample of Customer Comments:

Complaints

- “Hi, this is ridiculous why can't I print out a "green" card in the computer after the reservation? What kind of service it that, that I have to pay booking fee and have to be there 1 hour in advance?! Please forward this to your management.”
- “I was reserved for the 9am sailing and got stuck in the Massey Tunnel because of an accident. I checked in 8 minutes late and even though your sailing wasn't full, I was not put down the reservation lane. What poor customer service.”
- “We’ve just received a call from our family unable to get on the 10:10 Gulf Island Ferry in Tsawwassen as foot passengers because it is full. The same thing has happened on Galiano on busy holiday weekends when they are trying to go home. You have a reservation system for cars and for groups of foot passengers, why not for single or families during these busy times. It would be so helpful and would take away the anxiety and uncertainty out of the trip. It could also be used to tell you when you should put on an extra sailing.”

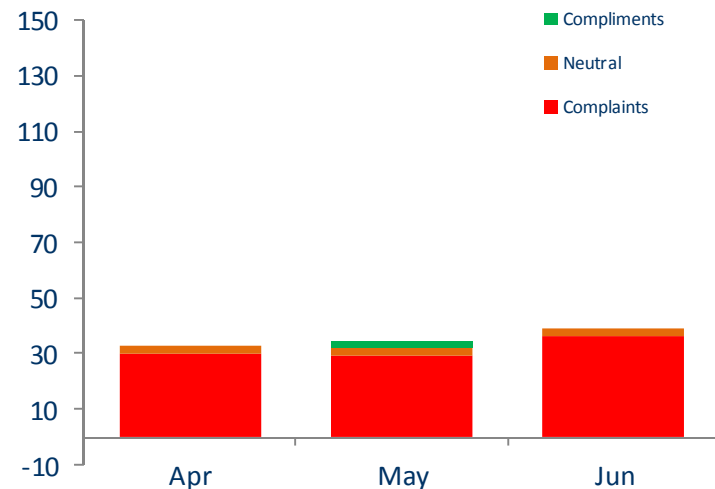
Compliments

- “Thank you so much for correcting our reservation! My wife made the booking and didn't check the final details. We are travelling from the UK with a 15 month old, this act of kindness means the world to us.”

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 Note: Q1 2014/15 = April 1, 2014 to June 30, 2014

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Reservations: Policies	33	2	0
Check-In: Reservations	21	0	0
Reservations: Availability	11	1	0
Reservations: General	11	5	1
Reservations: Cost	8	0	0
Reservations: Booking with an Agent	6	0	0
Reservations: Flexibility/Changes	4	1	1
% of all comments (1,912)	5.0%	0.1%	0.5%



Reservations General

Root Cause:

To allow sufficient time for safe loading of vessels, BC Ferries implemented a 30 minute cut-off for reservation redemption at the ticket booth. This reservation cut-off is historic and has been in place for many years.

Infrequent travellers, booking a reservation, will often overlook the importance of the 30 minute cut-off. Customers who miss the reservation cut-off are often surprised their reservation won't be honored and they must travel on standby.

Lessons Learned:

It is imperative that customers are made fully aware of reservation policies at the time of booking to avoid disappointment at the time of travel.

Action Taken:

Clear communication is in place via the following channels: reservation terms and conditions, reservation confirmation e-mail, FAQ (Frequently Asked Questions) on the website, through our IVR system, and during the booking process with our Customer Service Agents. Communication through these channels is reviewed annually to ensure the messaging is effective and delivered consistently to customers at the time of booking.

Each complaint made will be investigated to determine if an error on behalf of BC Ferries led to the customer's dissatisfaction. This includes the possibility of employee not following procedures or customer service agents being unclear about policies at time of booking:

- If an error is identified the reservation fee will be refunded to the customer and corrective training action will be taken with the employee.
- If it is determined that the issue is related to unclear written communication, the collateral material will be reviewed and improved. In this case, the customer will also receive a refund of the reservation/change fee.
- If the policy was clearly communicated at the time of booking and no error has been made, a thorough explanation of the reason for the policy will be provided to create an increased awareness of the complexity of loading a vessel and maintaining on time departures.

Based on customer feedback, collected in 2013 during usability testing of new reservation system, improvements have been made on how policy information is displayed online.

The possibility of offering foot passenger reservations is currently under review.